

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Nora Mead Brownell, and Suede G. Kelly.

ISO New England, Inc.

Docket Nos. ER06-17-000

Connecticut Department of Public Utility Control

v.

EL05-56-000

Bangor Hydro-Electric Company

Central Maine Power Company

NSTAR Electric & Gas Corporation, on behalf of its  
affiliates Boston Edison Company, Commonwealth  
Electric Company, Cambridge Electric Light Company,  
and Canal Electric company

New England Power Company

Northeast Utilities Service Company, on behalf of its  
operating company affiliates, The Connecticut Light and  
Power Company, Western Massachusetts Electric  
Company, Public Service Company of New Hampshire,  
Holyoke Power and Electric Company, and  
Holyoke Water Power Company

The United Illuminating Company

Vermont Electric Power Company

Central Vermont Public Service Corporation

Green Mountain Power Corporation

Florida Power & Light Company- New England Division

ORDER ACCEPTING TARIFF REVISIONS AND TERMINATING SECTION 206  
PROCEEDING

(Issued December 5, 2005)

1. In this order, the Commission accepts revisions to the ISO New England, Inc. (ISO-NE) Open Access Transmission Tariff (Tariff) filed by the Participating Transmission Owners Administrative Committee, on behalf of the New England Participating Transmission Owners (PTOs), to become effective June 1, 2006. We also accept an Offer of Settlement (Agreement) filed by the Connecticut Department of Public Utility Control (CT DPUC or Complainant) and the PTOs,<sup>1</sup> which resolves the CT DPUC's complaint against the PTOs.

**I. Background**

2. On January 14, 2005, as amended February 2, 2005, the CT DPUC filed, in Docket No. EL05-56-000, a complaint under section 206 of the Federal Power Act (FPA)<sup>2</sup> against the PTOs. Complainant sought review of provisions of the currently-effective ISO-NE Tariff governing the time at which Pool Transmission Facilities (PTF) capital additions are recovered through the rate for Regional Network Service (RNS).

3. In New England, the Transmission Owners (TOs) recover transmission revenue requirements through a combination of local and regional open access transmission tariff rates. The New England TOs provide transmission service over their regional high voltage lines pursuant to ISO-NE's Tariff, and the rate for such RNS is calculated annually using a formula rate for all PTF in New England. The New England TOs also maintain Local Network Service (LNS) tariffs to recover costs not recovered through the

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<sup>1</sup> The PTOs are as follows: Bangor-Hydro Electric Company; Central Maine Power Company; NSTAR Electric & Gas Corporation, on behalf of its affiliates, Boston Edison Company, Commonwealth Electric Company, Cambridge Electric Light Company, and Canal Electric Company; New England Power Company; Northeast Utilities Service Company (NUSCO), on behalf of its operating company affiliates, The Connecticut Light and Power Company, Western Massachusetts Electric Company, Public Service Company of New Hampshire, Holyoke Power and Electric Company, and Holyoke Water Power Company; The United Illuminating Company; Vermont Electric Power Company; Central Vermont Public Service Corporation; Green Mountain Power Corporation; and Florida Power & Light Company- New England Division.

<sup>2</sup> 16 U.S.C. § 824e (2000).

RNS rate. The LNS rate is calculated either on a historical, current, or projected basis determined by each utility under its respective attachment to the ISO-NE Tariff,<sup>3</sup> while the RNS rate is determined on a historical basis using the previous year's costs without any adjustment for forecasted costs for the service year.

4. Complainant argued that certain local customers unjustly and unreasonably pay in advance for PTF capital additions in the current year under the LNS rates, until the capital addition costs are recovered the following year in the RNS rate and then credited to LNS customers. It went on to assert that the RNS rate improperly shifts costs that should be borne regionally to local Tariff customers by delaying the recovery and subsequent credit of the costs to LNS customers through a historical cost recovery approach. Complainant stated that the resulting "lag" unjustly and unreasonably requires local customers to subsidize costs for PTF capital additions for as much as an entire year until they are recovered by the RNS rate.

5. On May 19, 2005, Complainant and the PTOs filed a joint motion requesting that the Commission suspend any further action, explaining that they had reached a conceptual agreement on a proposal to address the issues raised by the Complainant in its amended Complaint. They further stated that they would submit a filing at a later date that would consist of either: (1) a voluntary FPA section 205<sup>4</sup> filing by the PTOs modifying the RNS rate provisions along with an agreement resolving the issues in the Amended Complaint; or (2) a status report on the efforts to finalize such a filing.

6. On October 7, 2005, in Docket No. EL05-56-000, the CT DPUC and the PTOs submitted the Agreement regarding the issues raised by the CT DPUC to fully and finally resolve all issues in the complaint. They state that they developed tariff language to implement their Agreement, which was approved by ISO-NE, the NEPOOL Participants Committee, and the PTO Administrative Committee. The proposed tariff revisions are filed pursuant to section 205 of the FPA.

7. Specifically, the Agreement provides that the PTOs have agreed to modify certain provisions of the RNS rate in the Tariff. It further provides that the PTOs agree to take all reasonable steps to support the approval of these revised tariffs sheets by the Commission, although this obligation is contingent upon Commission approval of the

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<sup>3</sup> There are approximately 16 separate LNS rates within the New England region under Schedule 21 of section II of ISO-NE's Tariff. The ISO-NE RNS rate is found in Attachment F of the ISO-NE Tariff.

<sup>4</sup> 16 U.S.C. § 824d (2000).

tariff revisions in the form attached to the Agreement without modification or condition. The Agreement neither obligates nor affects the right of any PTO to file for revisions to the rates set forth in its Local Service Schedule, including revisions to LNS rates to eliminate a lag in cost recovery. The CT DPUC agrees that it will not oppose any filing a PTO might make to eliminate a lag, nor will it join in any complaint to eliminate a lag in cost recovery in the rates set forth in a PTO's Local Service Schedule. The Agreement further stipulates that the CT DPUC will not cite the tariff changes as a basis for seeking modifications to the allowed return on equity (ROE) for either RNS or LNS rates determined in Docket No. ER04-157-000, *et al.*<sup>5</sup> or as a basis for seeking reductions to the allowed ROE of the PTOs in any other regulatory proceeding. Finally, the Agreement provides that if accepted by the Commission, the Agreement fully and finally resolves all of the issues raised by the CT DPUC in its amended Complaint, thus enabling the Commission to close the complaint proceeding.

8. In addition to the Agreement filed by CT DPUC and the PTOs on October 7, 2005, the PTOs also filed, in Docket No. ER06-17-000, revised tariff sheets to modify the formula in ISO-NE's Tariff to calculate the RNS rate. The PTOs state that the proposed modifications to the RNS formula rate will eliminate a delay of up to 17 months in the recovery of the costs of new PTF capital additions that occur under the current RNS formula rate. They explain that under the proposed modifications, the general structure and timing for updating the RNS formula rate will be maintained, but the formula for annual updates of the RNS rate will be revised to include the revenue requirement associated with projected PTF capital additions, thereby eliminating most of the 17-month lag currently built into the RNS formula rate design. The PTOs state that under the modified RNS rate, all PTF revenue requirements, including the revenue requirements associated with projected PTF capital additions, will be trued-up each year with interest.

9. Specifically, beginning with the second rate year under the proposed RNS rate formula (*i.e.*, beginning June 1, 2007), the PTOs will calculate the PTF revenue requirements for the year 2006 and compare it to the rate that was in effect from June 1, 2006 to May 31, 2007 (the prior rate year) to the actual PTF revenue requirements for the

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<sup>5</sup> See *ISO New England, Inc.*, 106 FERC ¶ 61,280 (2004) (order granting RTO status subject to fulfillment of requirements and establishing hearing and settlement judge procedures).

most recent calendar year (*i.e.*, 2006).<sup>6</sup> The difference (the true-up amount), including interest, will be added or subtracted from the next year's revenue requirement and billed in rates over the next 12 months (*i.e.*, June 1, 2007 to May 31, 2008).

10. A separate true-up calculation will be made for pre-1997 and post-1996 PTF revenue requirements until 2008. The PTOs explain that as part of a Commission-accepted comprehensive rate settlement, the PTOs and other affected parties in New England agreed that the RNS rate would be transitioned over the course of 11 years from a "license plate" rate reflecting each PTO's individual revenue requirement to a "postage stamp" or uniform RNS rate throughout New England.<sup>7</sup> The PTOs' current proposal retains the principles set forth in that settlement by keeping in place transitional rate design mechanisms until they expire by their own terms in 2008. Therefore, until that time, there will be a separate true-up calculation.

11. The PTOs state that each PTO will be responsible for projecting its own PTF capital additions as part of the revenue requirements calculation and that the stakeholders will have an opportunity to review and comment on the cost projections. The PTOs also state that supporting detail for the estimated PTF capital additions will be included in the PTOs' annual informational filing (which must be made on or before July 31 of each year) and that Attachment F of ISO-NE's Tariff requires RNS rate calculations to be posted on the ISO-NE website at least 45 days before the PTOs file the annual informational filing with the Commission.

12. The PTOs request that the proposed modifications to the RNS rate become effective on June 1, 2006, which is the next date for a scheduled annual update of the RNS rate in New England.

## **II. Notice And Responsive Pleadings**

13. Notice of CT DPUC's January 14, 2005 complaint filing in Docket No. EL05-56-000 was published in the *Federal Register*, 70 Fed. Reg. 3691 (2005), with interventions or protests due on or before February 7, 2005. Motions to intervene were filed by Fitchburg Gas and Electric Light Company and Unitil Energy System, Inc.; Florida Power and Light Company-New England Division; and Massachusetts Municipal

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<sup>6</sup> The rate in effect from June 1, 2006 to May 31, 2007 is based on 2005 actual PTF revenue requirements plus the revenue requirements associated with the 2006 projected PTF capital additions.

<sup>7</sup> See *New England Power Pool*, 88 FERC ¶ 61,140 (1999).

Wholesale Electric Company. The NEPOOL Participants Committee filed a Motion to Intervene and a Motion to Dismiss. The New Hampshire Public Utilities Commission (NHPUC) filed a motion to intervene and comments.

14. Notice of CT DPUC's February 2, 2005 amended complaint filing was published in the *Federal Register*, 70 Fed. Reg. 7096 (2005), with comments due on or before February 22, 2005.

15. The Commission extended the deadline to file answers to the February 2, 2005 amended complaint to April 1, 2005.<sup>8</sup> On April 1, 2005 the Maine Public Utilities Commission filed a notice of intervention. Also on April 1, 2005, answers were filed by NUSCO<sup>9</sup> and the PTOs. On April 18, 2005, CT DPUC filed an answer to the motions to dismiss of the PTOs and the NEPOOL Participants Committee. On May 3, 2005, the NEPOOL Participants Committee filed an answer.

16. Notice of the October 7, 2005 filing in Docket No. EL05-56-000 was published in the *Federal Register*, 70 Fed. Reg. 61,278 (2005), with interventions or protests due on or before October 27, 2005. The NEPOOL Participants Committee filed a motion to intervene and comments in support of the filing.

17. Notice of the October 7, 2005 filing in Docket No. ER06-17-000 was published in the *Federal Register*, 70 Fed. Reg. 61280 (2005), with interventions or protests due on or before October 28, 2005. The NEPOOL Participants Committee filed a motion to intervene and comments in support of the filing. A motion to intervene and protest was filed by Braintree Electric Light Department, Concord Municipal Light Plant, Hingham Municipal Lighting Plant, Reading Municipal Light Department, Taunton Municipal Lighting Plant and Wellesley Municipal Light Plant (collectively, Eastern Massachusetts Consumer-Owned Systems, or EMCOS). On November 11, 2005, the CT DPUC filed a motion to intervene out-of-time. On November 14, 2005, the PTOs and the CT DPUC filed an answer to EMCOS's protest. Also on November 14, 2005, the NEPOOL Participants Committee filed an answer to EMCOS's protest.

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<sup>8</sup> The Commission extended the deadline in response to the request of the CT DPUC and the PTOs to allow time for consensual resolution of the issues.

<sup>9</sup> NUSCO filed its answer on behalf of itself and its transmission-owning corporate affiliates.

### **III. Discussion**

#### **A. Procedural Matters**

18. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2005), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. We will accept the untimely motions to intervene of the Maine Public Utilities Commission and the CT DPUC, given their interest, the early stage of this proceeding, and the absence of any undue prejudice or burden.

19. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. §384.213(a)(2) (2005), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We will accept the answers filed in this proceeding because they provided information that assisted us in our decision-making process.

#### **B. Responsive Pleadings and Commission Determination**

20. EMCOS<sup>10</sup> protests the PTOs' filing in Docket No. ER06-17-000, asserting that the Commission should require a number of specific revisions<sup>11</sup> to the modifications proposed by the PTOs to Attachment F, to ensure that RNS revenue requirements remain just and reasonable. However, as discussed below, we find that the PTOs' tariff revisions are just and reasonable and not unduly discriminatory and will therefore accept them, as proposed. Additionally, we accept the Agreement filed by the CT DPUC and the PTOs in Docket No. EL05-56-000 and terminate that proceeding.

##### **1. Timing Issues and the Formula Rate**

###### **a. Protest**

21. EMCOS states that the proposal to include an estimate of current year PTF plant additions in RNS rate results in transmission charges that are unjust and unreasonable. EMCOS asserts that the changes, taken as a whole, impose full-year costs for forecasted transmission plant additions that will not have been in service for a full year, thus allowing the PTOs to over-recover their costs. EMCOS argues the proposed annual true-

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<sup>10</sup> The NEPOOL Participants Committee states that each member of EMCOS is a NEPOOL Participant and a PTO.

<sup>11</sup> See EMCOS's Protest Exhibit EMCOS-3. EMCOS provides proposed revisions to Original Sheet Nos. 6017 through 6038 of the ISO-NE Tariff to ensure, they state, that the proposed revisions do not result in unjust and unreasonable rates.

up will compare only forecasted year-end balances to actual year-end balances. They also argue that if the annual true-up mechanism for pre-1997 plant as well as new plant additions is allowed to go into effect, the PTOs will have no incentive to reduce costs.

22. To determine the total forecasted revenue requirement, forecasted plant additions are multiplied by a carrying charge factor. EMCOS argues that the proposed use of a carrying charge factor based on the prior year's data is flawed. It states that providing a revenue requirement for new investment, or assets not yet in service, is a windfall. In particular, EMCOS argues that the carrying charge factor is designed to maximize the revenue requirement on estimated plant additions. As an example, EMCOS states that property taxes are not levied on assets until they go into service and therefore assets not yet in service should not be included in the forecasted revenue requirements. EMCOS also states that new plant additions require little operations and maintenance expense, so providing a full year's expense is overly generous. EMCOS argues that the carrying charge method does not reflect costs in the year in which service is provided.<sup>12</sup>

**b. Answers**

23. As an initial matter, the NEPOOL Participants Committee informs the Commission, in its answer, that it takes no position as to whether the revisions proposed by EMCOS are just and reasonable. The NEPOOL Participants Committee goes on to state that the Commission has previously approved rate designs in New England that are similar to the design proposed here and rejected arguments similar to those raised now by EMCOS in its protest. The NEPOOL Participants Committee further explains that it is possible that some of EMCOS's proposals may have been supported by NEPOOL committees, but EMCOS did not take advantage of their opportunity to raise their concerns in the stakeholder process. The NEPOOL Participants Committee states that NEPOOL participants did review and support the PTOs' proposed amendments, while EMCOS's proposed amendments are being presented for the first time by way of EMCOS's protest. The NEPOOL Participants Committee states that EMCOS is free to submit, pursuant to the terms of the Commission-approved RTO arrangements, its proposal to the stakeholder process in the future.

24. The NEPOOL Participants Committee also states that the PTOs' proposal does not disturb previously agreed-upon arrangements that require an annual informational filing with the Commission of RNS charges for the upcoming power year, an opportunity for

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<sup>12</sup> EMCOS's Protest, Exhibit EMCOS-1 at 10-11.



review and consideration of the proposed RNS charges, and the use of certain types of data to develop the annual charges, prior to the PTOs' annual informational filing with the Commission.

25. The PTOs and CT DPUC respond to EMCOS's protest by stating that the alterations proposed by EMCOS in its protest would reinstate much of the lag in PTF cost recovery that was the subject of the CT DPUC complaint and would therefore completely undermine the Agreement in Docket No. EL05-56-000. They contend that the Commission has already approved the fundamental rate design elements for utilities in New England in *Boston Edison* and *Northeast Utilities*.<sup>13</sup> They state that EMCOS fails to identify any complexity in the RNS rate or difference between the RNS rate and the LNS rates of Boston Edison and Northeast Utilities that would render the use of projected revenue requirements, with an annual true-up, unjust and unreasonable as applied to the RNS rate. Further, the PTOs and CT DPUC state that EMCOS's argument ignores the fact that Boston Edison's existing approved formula rates permit the recovery of full-year projected capital additions, rather than half-year projected capital additions, subject to an annual true-up with interest.

26. With respect to the EMCOS argument that the annual true-up should not apply to pre-1997 PTF investment, the PTOs and CT DPUC state that there is a misunderstanding of the RNS rate revisions as proposed in the October 7 Filing. Due to retirements and depreciation, true-ups of the pre-1997 PTF plant under the proposed RNS rate revisions will result in reduced revenue requirements for those older transmission facilities as compared to the revenue requirements based on historic costs for pre-1997 PTF plant recovered under the current RNS rate. Such reductions are appropriate, however, to correspond with the true-up of post-1996 PTF plant revenue requirements, including the costs of new PTF capital additions, under the revised RNS rate. The PTOs and CT DPUC maintain that the proposal is therefore balanced in applying the annual true-up to both vintages of PTF investment, taking into account both retirements and capital additions. Therefore, the CT DPUC and the PTOs assert, the modifications proposed by EMCOS would create an unjustified mismatch.

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<sup>13</sup> See *Boston Edison Co.*, 91 FERC ¶ 61,198 at 61,696 (2000) (*Boston Edison*), and *Northeast Utilities Service Co.*, 108 FERC ¶ 61,240 (2004) (*Northeast Utilities*).

27. However, CT DPUC and the PTOs note that, in preparing their answer, the PTOs identified a typographical error in the definition of “Carrying Charge Factor (CCF).”<sup>14</sup> The PTOs state they intend to correct this error in a compliance filing at a later date. They state that the revision is necessary to make the divisor in the CCF formula the PTF Transmission Plant (section II.A.1.a) rather than the entire Transmission Investment Rate Base (section II.A.1).

**c. Commission Determination**

28. The revised tariff sheets proposed by the PTOs require RNS customers to pay for PTF capital additions closer in time to when the facilities go into service, rather than deferring the cost responsibility up to 17 months. Thus, the PTOs’ proposed revisions will more closely time the recovery of costs of PTF capital additions with the time that such costs are actually incurred, and more closely align the time periods used for updating the RNS rate with the LNS rates of many PTOs. Thus, the Commission finds that the proposal results in RNS customers who benefit from the increased capacity and reliability from PTF capital additions paying for those PTF capital additions on a more timely basis rather than shifting the burden to other customers.

29. With respect to EMCOS’s assertion that the PTOs’ proposed revisions impose full-year costs for forecasted transmission plant additions that are not going to be in service for an entire year, we note that the Commission previously approved this type of rate formula in *Boston Edison*, where “to develop estimates, Boston Edison will add to its prior year costs the costs of new investments that are planned during the billing year.”<sup>15</sup> The formula rate in the instant proceeding is very similar to the formula rate accepted in *Boston Edison* and *Northeast Utilities*. Here, the forecasted costs will extend only 5 months beyond the calendar year. The true-up proposed, which will include interest, will remedy circumstances where there was an over recovery of costs or an under recovery of costs. Therefore, consistent with Commission precedent, we find the PTOs’ proposal to be just and reasonable.

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<sup>14</sup> They state that the definition should be revised to include a more specific cross reference to Attachment F section II.A.1.a as follows (with new language underlined): “Carrying Charge Factor (CCF): shall reflect the most recent calendar year data used in determining Post-1996 Annual Transmission Revenue Requirements and shall equal the sum of Attachment F sections II.A through II.H divided by Attachment F section II.A.1.a.”

<sup>15</sup> *Boston Edison*, 91 FERC ¶ 61,198 at 61,695 n.1.

30. EMCOS argues that the “after-the-fact reporting and reconciliation” of forecasted and actual plant additions may cause unjust and unreasonable charges.<sup>16</sup> However, as noted by the CT DPUC and the PTOs in their answer, the Commission has previously determined that a “rate formula with a true-up adjustment should create estimates that are more representative of the costs in the current period.”<sup>17</sup> The Commission finds that the annual true-up mechanism sufficiently protects customers from possible unjust and unreasonable charges or overcharges. The annual true-up will cover all PTF revenue requirements and compare the forecasted balance to the actual year-end balance. The revisions require that the difference (*i.e.*, any over or under collection) will then be settled with interest in accordance with the methodology specified in the Commission’s regulations at 18 C.F.R. § 35.19a (a)(2)(iii)(2005).

31. Regarding EMCOS’s position that the annual true-up should not apply to pre-1997 PTF investment, we find that EMCOS has not supported this argument and therefore we will not require that the PTOs modify their proposal in this regard.

32. With respect to the carrying charge factor, the Commission finds that EMCOS’s proposal to limit the carrying charge factor to return on actual investment is unfounded. This is because the components of the carrying charge will be trued-up to actual costs through a future adjustment to the RNS rate and thus a windfall will not occur.

33. Because the PTOs and CT DPUC identified a typographical error, we direct the PTOs to submit a compliance filing, within 30 days of the date of this order, revising the definition of Carrying Charge Factor, as proposed in their answer.

## **2. Transparency Issues**

### **a. Protest**

34. EMCOS argues that the proposed annual true-up is “so vague as to be effectively unauditable.”<sup>18</sup> EMCOS proposes modifying the informational filing with supporting documentation including: (1) itemized detail as to projected plant costs and in-service

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<sup>16</sup> EMCOS Protest at 2.

<sup>17</sup> CT DPUC and PTOs Answer at 5 (citing *Boston Edison Co.*, 91 FERC ¶ 61,198 at 61,696).

<sup>18</sup> EMCOS Protest at 13-14.

dates assumed for developing forecasted transmission plant additions, and (2) supporting documentation reconciling actual transmission plant additions with itemized detail pertaining to any annual true-up and interest calculations.

35. Additionally, EMCOS states that the PTOs should post filings on the ISO-NE website, archive informational filings and related information and make each informational filing no later than 120 days after the close of the year to which it relates.

**b. Answers**

36. The PTOs and CT DPUC state that EMCOS's request for additional supporting documentation in the annual informational filings should be rejected either because they conflict with the approved schedules and requirements for updating the RNS formula rate or because the tariff provisions governing the annual informational filing already include sufficient detail to address customer concerns.

37. With respect to EMCOS's proposal that the RNS informational filing be made no later than 120 days after the close of the year to which it relates, the PTOs and CT DPUC state that the data used to calculate the final RNS rate, which will be used to calculate annual true-ups, are based on the PTOs' FERC Form 1 filings, which are not finalized until April 30 of each year. However, they state that when the FERC Form 1 data are finalized, the impact on the RNS rate is then calculated, and those calculations are posted for stakeholder review. They go on to state that the current Attachment F Implementation Rule requires that these calculations be posted on the ISO-NE website for public review for at least 45 days prior to submission of the informational filing with the Commission and that there is a July 31 deadline for the annual informational filing, which is long after 120 days after the close of the previous year. The PTOs and CT DPUC state that because the Attachment F Implementation Rule already requires posting of the draft informational filing on the ISO-NE website and submission of the informational filing to the Commission, transmission customers will have public access to data, and there is no need to create a duplicative "archiving" requirement.<sup>19</sup>

38. The PTOs and CT DPUC state that the Attachment F Implementation Rule has very specific requirements for the cost data used in calculating the revised RNS rate, with reference to specific Commission Accounts. They further state that the annual informational filings will continue to include the level of detail required by the Attachment F Implementation Rule. Thus, there is no reason to change the information required to be filed since the rate will continue to be set on the basis of actual costs.

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<sup>19</sup> PTO and CT DPUC Answer at 11.

**c. Commission Determination**

39. Attachment F of ISO-NE's tariff currently provides that the PTOs must provide and post on the ISO-NE website supporting documentation for their estimated PTF capital additions to be placed in service in the current calendar year as well as supporting documentation pertaining to any annual true-up and interest calculations at least 45 days before submitting to the Commission the annual informational filing updating the RNS rate for the next year.<sup>20</sup> The stakeholders have an opportunity to review the cost projections and raise any questions with the PTOs about the methodology used in determining the costs. Therefore, the Commission determines that EMCOS's proposal requiring additional supporting documentation related to forecasted PTF capital additions and annual true-ups in the informational filing is unnecessary. The PTOs' informational filings are based on FERC Form 1 filings, which occur on April 30 of each year. Attachment F provides that at least 45 days prior to the informational filing, the PTOs must post information on the ISO-NE website. EMCOS has not persuaded us that the current procedures are unjust and unreasonable and therefore we will not require the changes that EMCOS requests, including its request that the PTOs file their informational filings with the Commission within 120 days after the close of the year.

40. Upon review, the Commission determines that the PTOs' revisions to Schedules 8, 9 and Attachment F to the ISO-NE Tariff are just and reasonable and not unduly discriminatory. Accordingly, we will accept the PTOs' proposal (including the correction to the Carrying Charge Factor definition that will be made in a future compliance filing).

**3. Termination of Section 206 Proceeding**

41. The Commission finds that the Agreement filed between the PTOs and the CT DPUC resolves and therefore renders moot the CT DPUC's complaint. Therefore, the section 206 proceeding initiated by CT DPUC's complaint in Docket No. EL05-56-000 is terminated.

The Commission orders:

(A) The PTOs' revisions to ISO-NE's Tariff are hereby accepted, as discussed in the body of this order.

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<sup>20</sup> Original Sheet No. 6019 to FERC Electric Tariff No. 3 section II – Attachment F Implementation Rule.

(B) The PTOs are directed to file, within 30 days of the date of this order, tariff revisions reflecting the revised definition of Carrying Charge Factor, as discussed in the body of this order.

(C) The complaint proceeding initiated by the CT DPUC in Docket No. EL05-56-000 is hereby terminated, as discussed in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.